

EAST  
WEST  
TRADE

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# Is the U. S. on the Long I

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A RUSSIAN MOTORING from Moscow to Minsk would be well advised to take heed should he see a "last-chance-to-fill-up" sign.

The road is one of the Soviet Union's major east-west highways and along its entire length of 437 miles there are just five gas stations and one garage.

Projecting this paucity of automotive waystations into national terms supports indications that about one-fifth of the estimated one million cars in the Soviet Union are normally laid up waiting for the attentions of a mechanic.

This information is contained in a remarkable Central Intelligence Agency assessment of the Soviet auto industry. The study was made in connection with a huge East-West trade deal which could have significant repercussions on the present highly restrictive trade policies of the United States toward the Communist countries of Europe.

## Fiats for Ivan

THE DEAL IS THE widely publicized agreement under which the Fiat motor company of Italy will build an \$800 million automobile plant for the Soviet Union at Togliatti, a town on

the middle Volga River formerly known as Stavropol. Related investments will boost the initial cost to the Kremlin to \$1.2 billion.

When it gets into full production, the plant will have a capacity of 600,000 cars a year. This alone would quadruple present Soviet production to 800,000 cars a year. Other expansion plans are calculated to raise production to 1.1 million units by 1975.

The United States is slated to supply at least \$50 million worth of machine tools for the Fiat plant. The financing is to be handled by the Export-Import Bank. The bank would lend the money to the Instituto Mobiliare Italiano, an Italian financial institution, which would lend it to Fiat to buy the machinery. There would be no direct sales by the United States to the Soviet Union.

## Political Thicket

WHY AMERICAN tools? The equipment could be supplied from European sources. The answer is that Fiat uses considerable United States equipment in its Italian plants, knows how to work with it and appreciates its quality.

This gets into the political thicket of whether the United States should expand its limited trade with the Soviet Union and the other Communist countries, directly or indirectly.

The Administration's answer is "yes." In the speech last Oct. 7 in which he expounded his policy of "building bridges" to the East, President Johnson gave specific approval to the Export-Import Bank's participation in the Soviet-Fiat arrangement.

If the deal goes through — and it would take congressional action to stop it—it could, according to some qualified observers, make passage of the President's controversial East-West trade bill a virtual certainty. At present, the bill is given little chance of getting through in the present session of Congress and there have been some indications that Mr. Johnson is reluctant to push it in these circumstances.

Congress could react to the Fiat deal almost any time. It could be when the first orders are placed, or when the Export Control Office approves them, particularly if the orders are for machinery which could be used in defense. Reaction could also come in the form of an amendment to an appropriate money bill which would prohibit the Export-Import Bank from financing exports destined for the Soviet Union.

The argument of those who think that American participation in the Fiat project would help passage of the bill is as follows: If the United States supplies machine

...to discuss playgrounds and parking.

It is the first time he has run for office and he is said to find the experience invigorating. In any case, he has been able to transfer his skill in diplomatic negotiation to parrying such queries as the one put to him by a young woman in an electoral meeting: "Mr. Minister, what do you think of the pill?" Anticontraception, of course.

The descent from the Olympian heights of international diplomacy to direct contact with the people seems to be paying off for Couve de Murville. The first polls showed him running well behind Dupont. The latest ones put him ahead.

## Press Su

month, it was not permitted to cover the activities of Premier Eisaku Sato or the headquarters of the ruling Liberal Democratic Party.

A comparable situation in the United States would be if the White House press corps forbade the National Broadcasting Co. to report the activities of President Johnson and Democratic Party headquarters.

NHK drew this suspension, spokesmen for the Premier's Press Club said, because it broke a rule against exclusive interviews with the premier. On Jan. 17 and 18, NHK broadcast two hour-long programs in which the leader of the opposition, Mr. Ichiro Kishi, gave interviews to the press. The 29 elec-

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new network of roads or gas stations will be built. In 1964, according to the CIA study, "the length of paved roads in the U.S.S.R. about equaled the paved highway system in the state of Michigan." According to the study, there will be no radical changes in highway policy or in the ratio of service stations to cars.

Service facilities are scarce in cities as well as along highways. In Moscow, there are only eight gas stations and eight garages, according to the CIA. In 1962, when I was a correspondent in Moscow, there was only one gas station in the city available to Westerners. To use it, one had to buy coupons

from the diplomatic service bureau of the Foreign Ministry.

As for who will get the automobiles, the intelligence agency said there are indications that the Kremlin is catering to the new bureaucratic and technological elite. It quoted a speech by Premier Alexei Kosygin as follows:

"Everything has been done to deprive even the leaders of big enterprises and economic organizations of the right to use passenger cars. Is this correct? The result has been that many leaders have been compelled to use trucks unlawfully for their official rides . . . damage was inflicted on our economy."

In any case, the CIA report con-

tinued, if the Soviets achieve the production goals they have set for 1975, they will then have about the same number of automobiles the United States had in 1917. On a per capita basis, this would give them about 5 per cent of the current United States stock.

The CIA's conclusion about the overall significance of the Fiat and related projects is that the Soviet Union "has only a toehold in the automotive age." The subcommittee panel agrees with this but adds:

"Nevertheless, this is a huge undertaking and one that could lead to further expansion of Soviet consumer goods industries at a later time."